GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3363
ANSWERED ON:06.09.2007
LOSSES TO HSCL
Khan Shri Sunil

Will the Minister of STEEL be pleased to state:

(a) Whether the Hindustan Steel Works Construction Limited (HSCL) is running into losses;

(b) if so, the details thereof for the last three years alongwith its reasons therefore;

(c) whether the employees of HSCL are getting their salaries up to date;

(d) if not, the reasons therefor; and

(e) the steps taken by the Government to revive HSCL and pay salaries to its employees?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)&(b): Yes, Sir. Hindustan Steelworks Construction Limited(HSCL) has suffered net loss during the past several years. The profit/loss account of the company for the last 3 financial years is shown follows:

(Rs. in crore)

Year	Profit(+)/Loss(-) before Interest, Depreciation & Taxes	Net Profit(+)/ Loss (-)
2004-05	(+)28.68	(-) 94.21
2005-06	(+)30.96	(-) 85.97
2006-07	(+)30.17	(-) 83.50

The main reasons for net losses are due to interest on Government loans taken by the company.

(c) Yes, Sir. The employees of HSCL are getting their salaries upto date.

(d) Does not arise in view of (c) above.

(e) M/s. A.F. Ferguson was engaged by HSCL to prepare Revival-cum-Restructuring package for the company. HSCL has submitted the proposal to the Ministry of Steel.

On 28.12.2006, Government has released an amount of Rs.21.44 crore to HSCL to clear all outstanding statutory wage arrears due to its employees.